

Save for the Future!

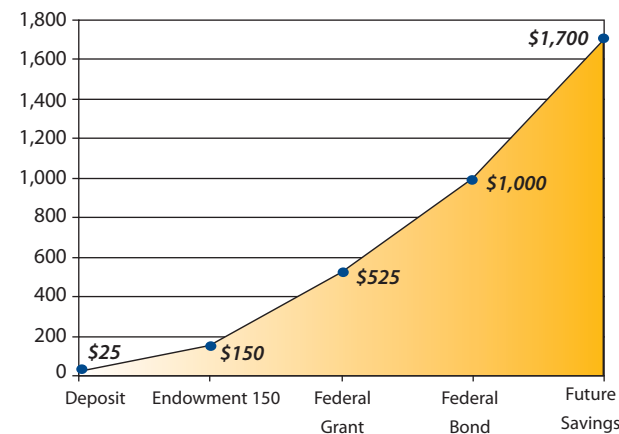
Turn \$25 into \$1,700

Now British Columbians on provincial income assistance and their families can use the Registered Disability Savings Plan and Endowment 150 as long-term savings



How persons on provincial income assistance can turn \$25 into \$1,700

Deposit \$25
Receive \$150 through Endowment 150
plus
Receive Federal Grant of \$525
and
A \$1,000 Federal Bond
means
Your \$25 investment turns into \$1,700 of future savings!



The Federal Government will multiply your RDSP contributions (called Grants) by 3 times on the first \$500 and 2 times on the next \$1,000 to a maximum of \$3,500 annually. The Federal Government will also provide Bonds of up to \$1,000 every year even if you don't contribute anything further into your RDSP.

To maximize the financial benefit of an RDSP, it is recommended that clients wait 10 years after the last Federal Grant or Bond has been received before beginning to withdraw funds. If a client does not wait, any grants or bonds received within the last 10 years must be repaid to the Federal Government.

Registered Disability Savings Plan – Plain Facts

What is it?

The Registered Disability Savings Plan (RDSP) is a long term savings plan from the Federal Government that allows funds to be invested tax-free until withdrawal. It is intended to help beneficiaries, parents and others to provide a long-term savings plan for persons with disabilities.

Who is eligible?

Any person who is:

- ▶ Eligible for the Disability Tax Credit, has a Social Insurance Number (SIN), has filed a tax return and is a resident of Canada

Who can contribute to an RDSP?

Anyone can contribute to an RDSP. Contributions will be permitted until the end of the year in which the beneficiary becomes 59 years old.

How do I get it?

File your 2007 and 2008 tax returns, make sure you have a SIN and apply for the Disability Tax Credit. This is a necessary step for opening an RDSP. If the financial institution is ready, you can open an RDSP. Most participating financial institutions likely will be ready to establish RDSPs in the summer of 2009.

You can find more information on the RDSP at:

www.hrsdc.gc.ca/disability
www.cra-arc.gc.ca/tx/rgstrd/rdsp/
www.rdsp.com

Or call toll-free,
1 800 O-Canada (1 800 622-6232)

Endowment 150

What is it?

Endowment 150 will provide every eligible Ministry of Housing and Social Development (MHSD) client with a one-time contribution of \$150 towards their federal RDSP account.

Who is eligible for Endowment 150?

All MHSD clients receiving assistance anytime between January 1, 2008, and December 31, 2009, who qualify for and have contributed \$25 to an RDSP. This also includes children within families in receipt of assistance when the child qualifies for the Disability Tax Credit.

How do I get it?

In September 2009, MHSD will be mailing letters to all persons with disabilities clients who are likely eligible for Endowment 150. Take this letter to the financial institution where you have your RDSP. After the financial institution confirms eligibility, funds will be transferred automatically to your RDSP account.

How is Endowment 150 funded?

A donation of \$5 million from the Province of British Columbia to assist persons with disabilities enabled the Vancouver Foundation to create Endowment 150. The fund will assist persons with disabilities who are in receipt of provincial income assistance, and their families, save for the future.

You can find information about Endowment 150 at:

www.vancouverfoundation.ca

Steps you can take today

If you have not already received the Disability Tax Credit or do not have a Social Insurance Number (SIN)...

- Make sure you file your 2008 Taxes and Apply for the Disability Tax Credit
- Apply for a SIN
- Find out what financial institutions are offering RDSP services, check the federal website at www.hrsdc.gc.ca/disability or www.rdsp.com. Most institutions likely won't be ready to offer RDSP services until the summer of 2009
- Make an appointment at a participating financial institution, set up an RDSP and deposit your initial \$25
- Await a letter from MHSD during September 2009 confirming eligibility for Endowment 150. If you don't receive a letter but believe you are eligible, please contact your local MHSD office
- Take your Endowment 150 letter to the financial institution (either when setting up the RDSP or after). After confirmation, funds will be transferred automatically

vancouver
foundation



Have you applied for the federal Disability Tax Credit? Applying for the Disability Tax Credit is required to qualify for:

- The Registered Disability Savings Plan
- Endowment 150
- Filing your taxes can qualify you to receive various other refundable tax credits including the GST credit

How to Apply

Apply for the Disability Tax Credit (DTC) when you file your taxes for 2008 or apply separately. The DTC is administered by the Federal Government.

Form T2201, the DTC certificate form, is available on the Canada Revenue Agency website at www.cra-arc.gc.ca/E/pbg/tf/t2201/. The DTC certificate form must be completed in part by a qualified practitioner.

Registered Disability Savings Plan (RDSP) benefits:

- The Federal Government will provide bonds and grants to help families save for the future
- Giving families of persons with disabilities peace of mind today and for the future
- There are no restrictions on how funds can be used
- The Federal Government has exempted the RDSP from affecting any federal support programs, such as CPP, OAS and GIS
- Federal RDSP Grants are available every year up to a lifetime maximum of \$70,000 and Bonds are available every year to a lifetime maximum of \$20,000 (or until beneficiary turns 49)
- Federal Grants are based on annual incomes being less than \$74,357 and Bonds are based on annual incomes being less than \$20,883 annually
- Lump sum withdrawals may be permitted if the total contribution of the beneficiary and families are greater than those of the Federal Government
- Annual RDSP withdrawals can be made which are designed to last a person's lifetime
- RDSP assets and withdrawals will not affect monthly income assistance

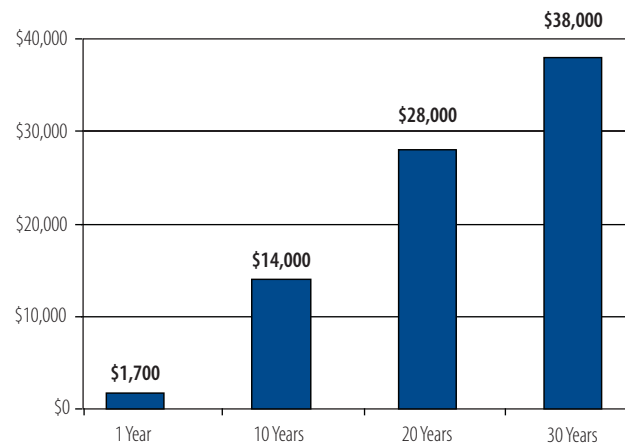
Endowment 150 benefits:

- Endowment 150 will provide persons with disabilities on provincial income assistance with \$150 towards their RDSP
- Supports a long-term savings plan for persons with disabilities and their families



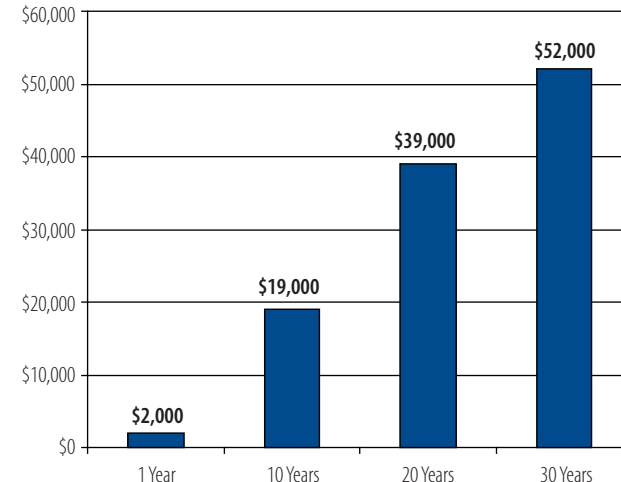
Registered Disability Savings Plan – What it means to you

If you make a one-time deposit of \$25 to take advantage of Endowment 150, in the first year alone your RDSP will have grown to over \$1,700 if you are eligible for all the federal contributions. After 30 years, your RDSP could be worth more than \$38,000.



The growth of your RDSP is based on a 3% annual rate of return and a family income of under \$21,000.

If you invest \$100 a year in an RDSP and take advantage of Endowment 150, in the first year alone your RDSP will have grown to over \$2,000. If you are eligible for all the federal contributions. After 30 years, your RDSP could be worth more than \$52,000.



The growth of your RDSP is based on a 3% annual rate of return and a family income of under \$21,000.

Resources and Links

For more information on:

- RDSP
 - Planned Lifetime Advocacy Network's at www.rdsp.com
 - Federal Government's website at www.hrsdc.gc.ca/disability www.cra-arc.gc.ca/tx/rgstrd/rdsp/ or call toll-free 1-800-O-Canada (1-800-622-6232)
- Disability Tax Credit at www.cra-arc.gc.ca/E/pbg/tf/t2201/
- Endowment 150 at www.vancouverfoundation.ca
- Social Insurance Number at www.servicecanada.gc.ca/en/sc/sin/
- Other ministry services for persons with disabilities at www.hsd.gov.bc.ca or call toll-free 1-800-663-7867

Investing in People:

- The \$5 million Endowment 150 fund has the potential to assist thousands of persons with disabilities and their families.
- It is expected that 30,000 persons with disabilities in receipt of provincial income assistance will take advantage of Endowment 150.
- If all 30,000 were to simply make a one-time contribution of \$25 in their RDSPs, then wait 30 years before beginning to withdraw money – a reserve totalling more than \$1.1 billion will have been created.